Remarks/Arguments:

I.   Status

The Office Action dated September 7, 2004 (the "Office Action") has been

carefully reviewed. Claims 1-3, 7-10, 12, 17 and 20 have been amended. Claims 24-26

have been added. Accordingly, claims 1-26 are pending in this application.

Reconsideration of this application, as amended, is respectfully requested.

II.   35 U.S.C. § 101 Rejection.

Claims 1 and 7 were rejected in the Office Action for being directed to non-

statutory subject matter. (Office Action at page 2).

Claims 1 and 7 have been amended to clarify that the method steps recited are

directed to statutory subject matter. Accordingly, the Applicants respectfully submit that

the rejection of claims 1 and 7 has been overcome. Therefore, the Applicants respectfully

submit that the rejection of claims 1 and 7 under 35 U.S.C. § 101 should be withdrawn.

III.   35 U.S.C. § 112 Rejection.

Claims 3, 12 and 22 were rejected in the Office Action for being indefinite.

(Office Action at page 3). Claim 3 has been amended to delete the language found to be

objectionable by the Examiner.

Claims 12 and 22 recite "first customer selections" and "second customer

selections", respectively. The Applicant cannot discern any reason for the construction of

these terms to infer that they rely upon an antecedent. For example, neither term is

preceded by a definitive article such as "the" or "said". Rather, as is evident from the claim language, these terms introduce elements for the first time in the respective claims. The Applicant acknowledges that the terms are not introduced with an indefinite article; however, usage of an indefinite article in the context of the claims would be improper grammatically.

Therefore, the Applicants respectfully submit that the rejection of claims 3, 12 and 22 under 35 U.S.C. § 112 should be withdrawn.

IV. The Rejection of Claims 1, 2, 4-11 and 17-20 under 102(e) Should be Withdrawn.

In the Office Action, claims 1, 2, 4-11 and 17-20 were rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent Publication No. 2002/0055911 A1 to Guerreri (hereinafter "Guerreri").[1] The Applicants respectfully traverse.

The Present Invention

The present invention relates to configuring value cards. A value card is designed to be "read" in a manner similar to the reading of a credit card. For example, a value card may include machine readable code stored upon a magnetic strip on the value card. Value cards are typically issued by credit card companies.

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[1] The caption in the Office Action includes claim 21, however, there is no discussion of claim 21 under the anticipation section. Moreover, claim 21 is discussed in the obviousness section of the Office Action. Accordingly, Applicants believe the listing of claim 21 to be a typographical error and have not discussed claim 21 under this section.

In accordance with aspects of the present invention, value cards are associated

with an account that can be structured to limit the usage of the value card by the value

card holder. Limitations that may be placed on the use of the value card include the

amount of the transactions conducted with the card, and the location or type of store at

which the card may be used. Thus, a value card may be used by the holder of the value

card desiring to pay for goods such as groceries or gas at a physical location of a store (a

"brick-and-mortar store") by swiping the value card through a card reader. Thereafter,

the system evaluates the proposed transaction in accordance with the limitations placed

on the usage of the value card and either approves or declines the transaction.

In accordance with one embodiment of the present invention, a customer selects

configuration options for a value card from displayed configuration options. The selected

configuration options are stored at a host computer and a value card is issued to the

customer.

Thus, the present invention is directed to the configuration of a value card that in

one embodiment may be used *at a brick-and-mortar store* by using a card reader to read

information from the value card.

Guerreri

Guerreri discloses a system and method for controlling online purchases.

(Guerreri at Abstract). Accordingly, a buyer sets up an online account which can then be

used to pay for items bought over the Internet. (Id. at paragraph 16). If desired, a gift

certificate or prepaid card associated with the online account may be given to another

individual. (Id. at paragraph 16). While not clearly stated, it appears that the prepaid

card or gift certificate includes the account identification and a password associated with

the account, particularly since Guerreri states that a buyer gives either "the prepaid card

or account information and password" to a shopper to enable use of the system and

method of Guerreri. (Id. at paragraph 30 and FIG. 3). However, when Guerreri discusses

the use of the prepaid card, it is in terms of the websites which are allowed to be

accessed. (Id. at paragraph 25). Thus, the shopper enters the account identification and

password to shop websites approved by the account information.

Guerreri discloses an online account that may be used to make purchases from *an
Internet site*. Access to use the account is granted so long as a user has access to a

computer and remembers the account identification and a password associated with the

account. In order to facilitate the use of the account, Guerreri further discloses the use of

a gift certificate or prepaid card that identifies the account and the associated password to

anyone viewing the gift certificate or prepaid card.

Discussion Regarding Patentability of Claim 1

1.   <u>Claim 1</u>

Claim 1 recites:

> A method of configuring and associating a value card having machine readable code
> comprising the steps of:
> > (a) displaying value card configuration options on a display;
> > (b) recording customer selections of the value card configuration options in a memory;
> > (c) sending the selections to a value card host computer for later retrieval during a
> transaction in which the value card is used for payment;
> > (d) receiving at the value card host computer a data signal based upon machine reading of
> the value card machine readable code; and
> > (e) associating the data in the data signal with the stored selections.

Claim 1, as amended, recites a method wherein configuration options of a *value card* with machine readable code are displayed, selected and recorded and a received data signal based upon machine reading of the value card machine readable code is used to associate the received data with the stored selections.

2.   Guerreri Does Not Disclose Configuring a Value Card

The Examiner alleged that Guerreri discloses customer selections of value card configuration options. (Office Action at page 3). Respectfully, the Applicant has not found any disclosure or even a suggestion in Guerreri that the gift certificates or prepaid cards of Guerreri include any machine readable code such as is found in value cards.

Specifically, the cards or gift certificates of Guerreri include printed information identifying an online account to a holder of the cards or gift certificates. Accordingly, the holder can access the online account by logging onto a computer using the information that the user discerns from the card or gift certificate. (Guerreri at FIG. 3, paragraph 30). Guerreri does not disclose a gift certificate or prepaid card that can be used in a card reader. Rather the gift certificate and prepaid card of Guerreri appear to be nothing more than a media that includes only printed information. A medium that includes only printed information is not a value card that includes digital information that can be read by a value card reader. In the event the Examiner is aware of any teaching in Guerreri of a machine readable code on the gift certificates or prepaid cards of Guerreri, the Examiner is respectfully requested to identify the paragraph in Guerreri that discloses use of such machine readable code on the gift certificates or prepaid cards of Guerreri.

Accordingly, Guerreri does not disclose use of machine readable code on gift

certificates or prepaid cards. Therefore, Guerreri does not disclose or suggest configuring

value cards with machine readable code as recited in claim 1. Anticipation under 35

U.S.C. § 102 is proper only if the prior art reference discloses each and every element of

the claim. Accordingly, because claim 1 recites a method of configuring a value card and

Guerreri does not disclose any such method, the Applicants submit that the rejection of

claim 1 has been successfully traversed.

Discussion Regarding Patentability of Claims 2, 4-11 and 17-20

The Examiner has rejected claims 2, 4-11 and 17-20 based upon the same prior art

discussed above with respect to claim 1. Claims 2, 4-11 and 17-20 are directed to the

configuration of a value card that has machine readable code or a system for configuring

a value card that has machine readable code. Thus, for the same reasons set forth above

with respect to claim 1, Guerreri does not disclose steps or elements related to

configuration of a value card having machine readable code as recited in claims 2, 4-11

and 17-20. Therefore, claims 2, 4-11 and 17-20 are allowable over the prior art.

V.   The Rejection of Claims 3 and 21 under 103(a) Should be Withdrawn.

In the Office Action, claims 3 and 21 were rejected under 35 U.S.C. 103(a) as being anticipated by Guerreri in further view of U.S. Patent Publication No. 2001/0013551 A1 to Ramachandran (hereinafter "Ramachandran"). The Applicants respectfully traverse.

Discussion Regarding Patentability of Claim 3

1.   Claim 3

Claim 3 recites:

> The method as recited in claim 1, wherein step (a) comprises:
> displaying first value card configuration options within a group of second value card configuration options including total monetary value, payment amount limit at each transaction, individual goods and services, individual goods and services providers, categories of goods and services, categories of goods and services providers, and purchase times and dates.

Claim 3 recites a method wherein first value card configuration options are displayed within a group of second value card configuration options. Thus, at least two configuration options must be displayed, one within another.

2.   The Discussion of Claim 1 Applies to Claim 3

The Examiner rejected claim 3 for the same reasons set forth in the rejection of claim 1 further alleging that Ramachandran disclosed "displaying first value card configuration options within a group of second value card configuration options." (Office Action at page 6).

Claim 3 depends from claim 1 and thus is directed to a method of configuring and associating a value card having machine readable code as was discussed above with respect to claim 1. Thus, even modifying Guerreri to include the alleged "displaying first value card configuration options within a group of second value card configuration options" does not arrive at the invention of claim 3. Therefore, under MPEP § 2143.03, the Examiner has failed to present a *prima facie* case of obviousness and the rejection of claim 3 under 35 U.S.C. 103(a) should be withdrawn.

3. Ramachandran Has Been Mischaracterized

The Examiner alleged that Ramachandran discloses displaying first value card configuration options within a group of second value card configuration options citing to FIGs. 62 and 63 and paragraph 125 of Ramachandran. (Office Action at page 7). Respectfully, Ramachandran has been mischaracterized.

Specifically, FIG. 62 shows that a message "Check Stored Value Balance" is displayed. FIG. 62 thus allows a user the option of having the present value of a value card displayed. If the user chooses this option, then the balance of the value card is checked and displayed as shown in FIG. 63. (Ramachandran at paragraph 125). As an initial matter, displaying a menu that allows a user to review the balance of a value card cannot reasonably be described as an option to *configure* the value card. Therefore, FIGs. 62 and 63 of Ramachandran do not disclose displaying configuration options.

Moreover, claim 3 recites that "first value card configuration options" are displayed "within a group of second value card configuration options". Even assuming arguendo that the option to review a value card balance is a "configuration option", displaying a

single option as shown in FIG. 62 of Ramachandran is not the display of a first option

within a second option. Reliance on FIG. 63 does not provide any further support, since

FIG. 63 displays the balance of the value card, not an option to display the value card

balance. Thus, even if the display of FIG. 63 is considered to be "within" the display of

FIG. 62, Ramachandran still does not disclose the display of "first value card

configuration options within a group of second value card configuration options" as

recited in claim 3.

MPEP § 2143.03 states that "all the claim limitations must be taught or suggested

by the prior art" to establish a case of *prima facie* obviousness. Therefore, because

Ramachandran does not disclose the step of displaying as recited in claim 3, a *prima facie*

case of obviousness has not been made and the rejection of claim 3 under 35 U.S.C.

103(a) should be withdrawn.

4.   The Display of the Recited Options Must be Considered

The Examiner admitted that Ramachandran did not disclose the actual

configuration options recited as being displayed in claim 3. (Office Action at page 7).

The Examiner opined, however, that the configuration options displayed were not

patentably significant relying upon *In re Gulak*, 703 F.2d 1381 (Fed. Cir. 1983) and *In re*

Lowry, 32 F.3d 1579. Respectfully, the Applicants do not believe the Examiner has

properly applied the law.

As an initial matter, the discussion in both *In re Gulak* and *In re Lowry* and are

directed generally to apparatus claims wherein the patentability of a device with "printed

materials" applied to the device is discussed. The Examiner has not explained how law

regarding the application of printed material to a substrate as discussed in the context of apparatus claims relates to a method claim which requires display of configuration options. Therefore, in the event the Examiner maintains his stated position of not giving patentable weight to *what* is being displayed, the Applicant respectfully requests the Examiner provide a legal basis for applying the above cited cases to a method claim reciting a step of "displaying".

Moreover, to the extent the cited case law is applicable to method claims, the case law provides support for the proposition that *what* is being displayed must be given patentable weight in the context of the method being claimed. For example, *In re Gulak* states that "[d]ifferences between an invention and the prior art cited against it cannot be ignored merely because those differences reside in the content of the printed matter." (*Gulak* 703 F.2d at 1386).

Nonetheless, the error in the Examiner's rejection is apparent notwithstanding the legal basis of the rejection. Specifically, the Examiner concluded that the rejection was proper because "[t]he displaying step will be performed the same regardless of the data." (Office Action at page 7). However, it is undeniable that if the data of "individual goods and services providers" are not displayed as a second value option, that the step of "displaying second value card configuration options including ... individual goods and services providers" as recited in claim 3 cannot be performed. Changing the data displayed necessarily changes the display of the data.

Moreover, the significance of such an omission is felt throughout the claimed method since the steps of selecting and recording a configuration option of individual

goods and services providers cannot be performed. Thus, there is a functional significance to the recited method in the data that is displayed.

Therefore, the Applicant respectfully submits that the Examiner's stated position of not giving patentable weight to the configuration options recited in claim 3 has been successfully traversed. Accordingly, since the Examiner has admitted that the recited configuration options are not disclosed by Ramachandran, a *prima facie* case of obviousness has not been made and the rejection of claim 3 under 35 U.S.C. 103(a) should be withdrawn.

5.   Conclusion

For any or all of the foregoing reasons, it is respectfully submitted that the rejection of claim 3 as being obvious over Guerreri in view of Ramachandran has been successfully traversed, and the Applicants respectfully submit that the rejection of claim 3 under 35 U.S.C. § 103 should be withdrawn.

Discussion Regarding Patentability of Claim 21

The Examiner has rejected claim 21 based upon the same combination of prior art and the same arguments discussed above with respect to claim 3. Claim 21 is directed to the configuration of a value card or a system for configuring a value card, includes a recitation of "first value card configuration options within a group of second value card configuration options", and "second value card configuration options including ... individual goods and services providers". Therefore, for the same reasons set forth above with respect to claim 3, claim 21 is allowable over the prior art.

VI.   The Rejection of Claims 12-16, 22 and 23 under § 103 Should be Withdrawn.

In the Office Action, claims 12-16, 22 and 23 were rejected under 35 U.S.C.

103(a) as being anticipated by Guerreri in further view of U.S. Patent Publication No.

2003/0053609 A1 to Risafi et al. (hereinafter "Risafi"). The Applicants respectfully

traverse.

Discussion Regarding Patentability of Claim 12

1.   <u>Claim 12</u>

Claim 12 recites:

> A method of configuring a value card having machine readable code comprising
> the steps of:
>   (a) machine reading value card identification information from the value card machine
> readable code;
>   (b) sending the value card identification information to a value card host;
>   (c) obtaining value card configuration information from the value card host;
>   (d) displaying value card configuration options including first customer selections from
> the value card configuration information;
>   (e) recording second customer selections of the value card configuration options; and
>   (f) sending the second customer selections to the value card host for later retrieval during
> a transaction in which the value card is used for payment.

Claim 12 recites a method wherein configuration options of a *value card* are

displayed, selected and recorded and value card machine readable code is machine read

from a value card.

1.   <u>The Discussion of Claim 1 Applies to Claim 12</u>

The Examiner rejected claim 12 based upon Guerreri in combination with Risafi.

(Office Action at page 7). The Examiner alleged that Guerreri discloses the steps of

displaying value card configuration, recording selection of value card options and

sending the customer selection to a value card host while Risafi discloses the steps of

reading value card configuration from a value card, sending the read value to a host and

obtaining value card configuration from the host. (Office Action at pages 7-8).

As discussed above with respect to claim 1, Guerreri does not disclose a system

related to value cards having machine readable code. Thus, even modifying Guerreri to

include the teachings of Risafi as proposed above does not arrive at the invention of

claim 12. Therefore, under MPEP § 2143.03, the Examiner has failed to present a *prima*

facie case of obviousness and the rejection of claim 12 under 35 U.S.C. 103(a) should be

withdrawn.

3.   The Proposed Combination Will Not Work

Moreover, as previously discussed, the Applicant has found no teaching or

suggestion in Guerreri that the gift certificates or prepaid cards of Guerreri include a

magnetic stripe or any other machine readable code. In the event the Examiner is aware

of any disclosure in Guerreri of the use of a machine readable code such as a magnetic

stripe on the gift certificates or prepaid cards of Guerreri, the Examiner is respectfully

requested to identify the paragraph including said disclosure.

Because the prepaid cards and gift certificates of Guerreri do not include machine

readable code, there is nothing to be machine read from the prepaid cards or gift

certificates. Therefore, one of ordinary skill in the art would not have a reasonable

expectation that a value card reader would successfully extract any information from a

prepaid card or gift certificate of Guerreri.

The prior art can be modified or combined to reject claims as prima facie obvious as long as there is a reasonable expectation of success. *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). However, there can be no reasonable expectation of successfully using a value card reader to read a gift certificate or prepaid card that do not include machine readable code. Therefore, the Examiner has failed to present a *prima facie* case of obviousness and the rejection of claim 12 under 35 U.S.C. 103(a) should be withdrawn.

4. Conclusion

For any or all of the foregoing reasons, it is respectfully submitted that the rejection of claim 12 as being obvious over Guerreri in view of Risafi has been successfully traversed, and the Applicants respectfully submit that the rejection of claim 12 under 35 U.S.C. § 103 should be withdrawn.

Discussion Regarding Patentability of Claims 13-16

The Examiner has rejected claims 13-16 based upon the same prior art discussed above with respect to claim 12. Claims 13-16 depend from claim 12. Therefore, for at least the same reasons set forth above with respect to claim 12, claims 13-16 are allowable over the prior art.

Discussion Regarding Patentability of Claims 22 and 23

The Examiner has rejected claims 22 and 23 based upon the same combination of prior art discussed above with respect to claim 12. Claims 22 and 23 are directed to a

system for configuring a value card and includes a recitation of "a card reader for reading value card identification information from the value card". Therefore, for the same reasons set forth above with respect to claim 12, claims 22 and 23 are allowable over the prior art.

VII. Claims 24-26.

Claims 24-26 have been added. These claims recite novel and non-obvious limitations. Accordingly, claims 24-26 are believed to be allowable over the prior art.

VIII. <u>Conclusion</u>

Applicants respectfully request entry of the amendments and favorable consideration of the application.

A prompt and favorable action on the merits is requested.

Respectfully Submitted,
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